

THE JACOBS REPORT

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SENATE FIXES MINIMUM WAGE CONSEQUENCE

Earned Income Tax Credit Included in Agreement

The Legislature unanimously approved a fix to the state's new minimum wage law after finishing negotiations with Gov. Jennifer Granholm. The Senate also voted 36-2 to increase the Merit Award college scholarship during a busy day at the Capitol.

Action on the new wage law was necessitated by language that decoupled Michigan from federal exemptions and thus qualified certain people—such as salespeople and mechanics at auto and boat dealerships, truck and motorcoach drivers, live-in babysitters, domestic caregivers, movie theater workers and employees at smaller newspapers, radio and TV stations whose earnings are way over the minimum wage—for automatic time-and-a-half pay.

The bill was amended to allow low-income workers to qualify for a new state earned-income tax credit in addition to the existing federal earned-income tax credit. The additional credit would start at 10 percent of the federal earned-income tax credit in 2008 and rise to 20 percent in 2009.

Michigan's minimum wage jumps from \$5.15 to \$6.95 an hour in October, with more raises scheduled in 2007 and 2008.

LABOR DAY TRAVEL MADE EASIER?

MDOT to Suspend Work on Many Projects

The Michigan Department of Transportation (MDOT) will be suspending work on many state road and bridge projects to make travel easier this holiday weekend. To accommodate increased traffic volumes, roadwork will be suspended wherever possible during the Labor Day holiday weekend, in order to promote safety and ease in traveling.

Beginning at 3 p.m. Friday, Sept. 1, and continuing until 6 a.m. Tuesday, Sept. 5, MDOT will suspend work and open lanes on 92 of the 155 currently active projects. According to AAA Michigan, an estimated 1.1 million Michigan residents plan to travel this Labor Day weekend.

"The Labor Day holiday weekend provides the perfect opportunity to vacation in Michigan. As you travel around our great state this weekend, be sure to drive safely, and enjoy all that Michigan has to offer," said State Transportation Director Kirk E. Steudle. "Although MDOT is suspending work on the majority of our projects, drivers need to exercise extra caution in work zones. The orange barrels dotting Michigan's roadways are a sign of progress, but they also are a reminder to drive with caution. Buckle up and drive safely this holiday weekend."

Following is a list of Metro Detroit work zones that will remain active or have lane restrictions during the Labor Day weekend. Detour routes are posted at the project location wherever

necessary. For a statewide list, please visit the following link:
<http://www.michigan.gov/mdot/0,1607,7-151--150274--,00.html>

Metro Detroit

- Grand River Avenue (also called Old I-96) in Oakland County will be closed between Powers Road and Orchard Lake Road. Local traffic only.
- The Franklin Road bridge over I-696 in Southfield, Oakland County, will be closed.
- The Hayes Road bridge over I-696 in Macomb County will be closed.
- M-29 (also called 23 Mile Road) over the Crepeau Drain in New Baltimore, Macomb County, will have a single lane closure in both directions.
- Two lanes will be maintained on eastbound I-94, and one lane maintained on westbound I-94 between Gratiot Avenue and Griswold Street in Port Huron, St. Clair County.
- One lane will be maintained on eastbound and westbound M-14 between Gotfredson Road and I-275 in Wayne County. In conjunction, the ramp from Newburg Road to westbound I-96 will be closed.
- Two lanes are maintained in each direction of M-153 (Ford Road) between Greenfield Road and Oakman Boulevard in Dearborn, Wayne County.
- One lane will be maintained in each direction on M-153 over Fellows Creek in Canton Township, Wayne County.
- A single lane is closed on northbound and southbound US-24 (Telegraph Road) at King Road in Brownstown Township, Wayne County.
- The left lane of northbound and southbound M-39 (Southfield Freeway) will be closed between M-153 (Ford Road) and Joy Road in the city of Detroit. Paul Avenue and Tireman Road over M-39 will be closed.
- One lane of traffic will be maintained on eastbound and westbound US-12 (Michigan Avenue) between I-94 interchange and Livernois Avenue in the city of Detroit.
- The ramp from northbound I-375 to M-3 (Gratiot Avenue) will be closed in the city of Detroit.

MPSC CUTS RATES BY \$78.75 Million

Edison Customers to Benefit from Settlement

The Michigan Public Service Commission (MPSC) issued an order approving a settlement agreement with The Detroit Edison Company that reduces electric rates for residential and business customers by a total of \$78.75 million.

“The Public Service Commission’s careful review of Detroit Edison’s rates ensures that its customers are not paying more than is absolutely necessary for the delivery of reliable energy,” said MPSC Chairman J. Peter Lark. “The settlement agreement approved today will substantially reduce electric rates beginning in September. In these times when prices are increasing for virtually every other service, the Commission is particularly pleased to be able to reduce rates for all of Detroit Edison’s customers.”

“In the last year we have seen significant rate increases across the nation, and expect continued increases in the region, so the rate relief Edison’s customers will see beginning in September is particularly welcome,” Chairman Lark added.

Beginning in September, rates will be reduced by \$52.5 million on an annualized basis. Rates will also be reduced by an additional \$26.25 million beginning on Jan. 1, 2007, bringing the total rate reduction to \$78.75 million.

In addition, a surcharge instituted in Edison’s last rate case will be suspended pending the outcome of a court proceeding.

On March 23, 2006, the MPSC issued an order directing the Detroit Edison Company to show cause why its retail electric rates should not be reduced, citing the utility’s labor cost savings and a decline in electric choice customer sales. The Commission acted to ensure that customers of Detroit Edison were not paying excessive rates. The Commission further ordered that the case be expedited so that customers could see rate relief, if appropriate, as soon as possible.

Today’s order cuts electric rates for residential customers, on an annualized basis, by \$10 million for the rest of 2006, and \$15 million in 2007.

The average residential electric customer using 500 kilowatt-hours of energy per month will receive a reduction of approximately \$6 in 2007.

Today’s order also reduces electric rates for commercial and industrial customers. Starting in September, commercial and industrial customers’ rates will be cut, on an annualized basis, \$42.5 million for 2006 and \$63.7 million for 2007. Large manufacturing customers on Rate R10 will see their rates cut, on an annualized basis, by \$3.1 million in 2006 and \$5 million in 2007.

“These significant cuts will keep the state’s economic climate favorable for both current Michigan businesses, and those seeking to locate here,” Lark added.

“Our action today results in real savings for Michigan,” said Commissioner Monica Martinez.

Parties participating in the settlement were: the Detroit Edison Company, the Association of Businesses Advocating Tariff Equity (ABATE); Energy Michigan, Inc., Michigan Retailers Association, Constellation NewEnergy, Inc., Attorney General of Michigan, Detroit Edison Alliance of Retirees, Utility Workers Local 223, The Kroger Company, and the Commission staff. The National Energy Marketers Association participated in this case but did not enter into the full settlement agreement. It did, however, issue a statement of non-objection.

The MPSC is an agency within the Department of Labor & Economic Growth.

WIT, WISDOM, ETC . . .

Quotables

“Integrity without knowledge is weak and useless, and knowledge without integrity is dangerous and dreadful.”

-Samuel Johnson, *quoted in the Charlotte Observer*

“True audacity is the trick of knowing how far you can go in going too far.”

-Jean Cocteau

Quote of the Week: Andre Gide

“Believe those who are seeking the truth; doubt those who find it.”

All Michigan legislation can be tracked at <http://www.legislature.michigan.gov/>.

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State Senator Gilda Jacobs represents the 14th Senate District, which includes Beverly Hills, Bingham Farms, Farmington, Farmington Hills, Ferndale, Franklin, Hazel Park, Huntington Woods, Lathrup Village, Oak Park, Pleasant Ridge, Royal Oak Township, Southfield, and Southfield Township. She is the Minority Vice Chair of the Families & Human Services Committee and the Economic Development, Small Business & Regulatory Reform Committee. She also serves on the Government Operations and Health Policy Committees.

Constituents of the 14th District may contact Senator Jacobs at sengjacobs@senate.michigan.gov or toll-free at 1-888-937-4453.

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